



Increasing donor effectiveness and co-ordination in supporting think-tanks and public advocacy NGOs in the New Member States of the EU, Western Balkans, the CIS and Turkey

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More accountable governance and professional policymaking processes are essential if critical transition countries are to escape the legacy of Soviet-style policy planning

The expansion of the European Union in 2004 to include eight former communist countries was a historic turning-point, bringing into the EU governments (and even more so, civil society) with a strong commitment to engage with their eastern and southern neighbours in fostering democracy, a market economy, good governance, and sustainable economic and social development.

Civil society organisations in the new EU members are acutely aware of the need to foster a strong civic space in countries at an earlier stage in the transition to democracy and a market economy. The lessons from the experience of those new EU members in policymaking in the transition process – both the successes and the failures – need to be understood, shared and applied in countries at an earlier stage of transition.

In recent years, the democratisation process has made advances, in some cases advances that are unlikely to be reversed, in countries as diverse as Georgia, Serbia, Ukraine, Moldova and the Kyrgyz Republic. Others, such as Uzbekistan, Turkmenistan, Russia and Belarus, have seen greater restrictions on the freedom of civil society and the media, but on the whole the trend is towards more democracy and towards more open economies.

What is lacking is both an ability to combine better legislation with effective (and well-resourced) implementation of reforms, and a professional policymaking environment where government policy units work in dialogue with independent policy centres to effect policy change with measurable policy outputs and outcomes, and accompanying accountability and monitoring mechanisms.

Despite higher economic growth, poverty and social disparity persist while corruption and the skills gap in public policy hold back innovation and reform

High rates of economic growth are a positive sign, but in some cases, such as Azerbaijan and Russia, good economic performance is highly dependent on the energy sector, and in much of Central Asia, economic disparities persist - with high poverty levels and poor social services - and, in Tajikistan, there is a deteriorating situation in terms of healthcare and infant mortality. At the same time, in particular in the Caucasus, but also in Kosovo, inter-ethnic conflict and territorial disputes continue to be a long way from resolution.

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Systems of governance are often marked by tight centralisation of budget allocations and tax-raising powers – with little regional or local autonomy, especially in Central Asia and the Caucasus. Corruption continues to plague public administration throughout the region, including in EU candidate countries and a number of EU members, undermining public confidence in government and perpetuating market distortions, entrenched corrupt 'crony' networks, and the misallocation of scarce resources.

On the whole, unlike in the new EU members, donor aid has not generated successful outcomes in the former Soviet countries. Funding has in the past very often been provided for civil society advocacy 'project' activities, or conferences, rather than for indepth policy research and analysis, and the necessary advocacy follow-up to ensure that reforms are implemented; nor has funding been provided on a consistent basis for the sustainable institutional development of independent policy centres. At the same time, few ministries in the CIS have made the transition from Soviet to western policy analysis methods; donors initially placed an emphasis on providing foreign expert advice instead of essential training for local actors in policy analysis in critical policy areas (most effective when multiplier effects are made possible through training of trainers).

Much greater emphasis needs to be placed on strengthening in parallel the policy analysis skills of independent think-tanks and the professionalisation of the policymaking process within government departments.

GREATER POLICY SKILLS MUST GO HAND IN HAND WITH GOVERNMENT-NGO DIALOGUE

Croatia: Civil society organisations have been regarded by government more as a threat than a partner to improve policy outcomes; increased pressure needs to be applied on the government to include independent think-tanks and the general public in decision-making processes; given the benefits of secure employment in university research institutes or better remuneration in international institutions, there is a shortage of capacity and skills in the civil society sector, so capacity-building is essential for their viability and to establish sufficient sectoral expertise. The think-tank community in Croatia is weak and under-resourced.

Kyrgyz Republic: Given the lack of an effective policymaking process in government departments, and the low level of policy writing skills in the NGO community, there is an urgent need for support from policy centres and government policy units in advanced transition countries for their counterparts in the Kyrgyz Republic and other countries in Central Asia. PASOS, working with the Soros Foundation Kyrgyzstan and Eurasia Foundation of Central Asia, is seeking partnerships with donors to strengthen policymaking skills in both government and civil society in the Kyrgyz Republic.

Ukraine: A vast number of draft laws have been developed in line with international (e.g. EU) standards, but implementation is sparse (and there is little pressure from donors), and Soviet-style planning processes persist in all but a handful of government ministries. Clearer linkages need to be made between country transition objectives and donor priorities.

Effective aid co-ordination is crucial to foster policies geared towards sustainable economic and social development

The different levels of transition towards a democratic society pose varied, but persisting challenges throughout the region of Central and Eastern Europe and Central Asia. The challenges faced in the new EU members are very different to those faced in the Caucasus or Central Asia, but many of the lessons of transition can and should be adapted and applied to countries at earlier stages of transition.

The symptoms of poor policy planning are visible, not only in countries where the government ministries lack effective policy units, but also in emerging democracies where political parties often fail to include forward planning in their approach to preparing the legislative agenda and to reforming public administration. All too often, international donors have to work together with governments to tackle the crisis in health or education – or regional economic imbalances and the accompanying poverty - that arise as a result of weak or arbitrary public administration and an inadequate policymaking process.

As well as purely political challenges directly related to nation-building and democracy, many challenges remain unfulfilled in the area of core state policies, and in the effective use of external aid. These challenges fall into two main categories:

- 1) the challenge of fostering effective policymaking to promote sustainable economic, social and human development in individual countries;
- 2) the challenge of assessing, and acting on, needs in-country, and evaluating the impact of donor aid, particularly in the areas of good governance, public services delivery, and economic development.

This latter challenge automatically raises the question of co-ordination between donors of their aid activities, the exchange of lessons learned, and impact measurement and assessment, in order to improve the effectiveness of donor activities.

**Tackle the causes, not just the symptoms:
*it is essential to strengthen policymaking in government and civil society***

Aid should not be allocated primarily to tackle the symptoms of poor policymaking; through pro-active strategic interventions, effective co-ordination, and thorough needs analysis, donors could instead make a major contribution to averting potential crises by working to support the establishment of efficient, forward-looking and inclusive policymaking processes in government and in the independent think-tank sector at national and local level. By tackling the causes of inefficiency and maladministration, fewer symptoms will need to be treated with aid intervention at a later stage, and fewer resources will need to be deployed overall.

Civic engagement in policy formulation varies significantly within the region. Think-tanks are very prominent in Bulgaria and Romania for instance; in Central Asia the nascent think-tanks generally lack advocacy skills to promote meaningful policy dialogue with the government authorities, and they lack policy-writing expertise. The lessons from more experienced think-tanks can be invaluable; knowledge exchange and mentoring programmes could make an important contribution to increasing the quality of civil society input to policy formulation in the Western Balkans, the Caucasus and Central Asia, at the same time as contributing to a more enabling environment for civil society organisations.

The experience of think-tanks and their mapping of the policymaking environment in individual countries can provide important lessons for the key international donors engaged in the region. Examples include the fruitful experience of “twinning” of both effective policy centres and ministerial policy units in advanced transition countries with those at an early stage of transition that have led to more effective policy outcomes and the formation of a professional policymaking process.

Information exchange and joint project support among donors, working with think-tanks, can be particularly effective in the following areas of co-operation:

- 1) Donors can partner with policy centres in-country (in co-operation with stronger policy centres with transition experience from other countries where local capacity is weak) to assess the existing policy-making structures and their effectiveness, the in-country needs, and the impact of donor aid and donor-driven policies on contributing to better policy outputs and outcomes.
- 2) Donors should pay increased attention to training and capacity-building, and to the sustainability of both policy planning units within government ministries and of independent public policy centres - through long-term dedicated support, transfer of know-how, promoting international network and exchange initiatives, internships, professional training and international joint projects between policy centres in different countries. A particular need is to support think-tanks to develop their own long-term policy research agendas – to build systematic expertise rather than just support ad hoc projects. Donors should provide a reasonable level of support for the institutional development of policy centres so that they do not have to fundraise constantly to cover core support staff and research teams.

- 3) Together with policy centres, donors can work to raise public awareness among the population (e.g. through engaging print and broadcast media) and among the political elites in a country on the needs and priorities of policymaking, on the best practices and common mistakes as demonstrated by international experience, on ways to promote public debate and participation in decision-making, and on the need for a policy dialogue between government and civil society; donors and policy centres can also work together to exert pressure on governments to include civil society participation in strategy planning and decision-making processes.
- 4) Policy centres and donors can together draw up a strategy country-by-country – often involving experts from both donor governments and from well-established independent policy centres with transition experience to allow more effective and sustainable transfer of best practice – to strengthen the policymaking environment. Necessary steps would include the establishment of professional policy units within government ministries, and of procedures to monitor policy outcomes and to implement an effective impact assessment process. A complementary initiative would be to support the development of common curricula in public policy and public administration schools (for both civil service and policy centres), with greater funding for locally relevant (transition) case studies and for development of comparative best practice and know-how transfer between different transition countries.
- 5) Donors can work together with policy centres to secure the transparency of international aid through establishing an effective (web-based) information system, enabling the policymaking structures and civil society organisations to monitor and assess the impact of donor aid in contributing to better policy outcomes, and to prevent its misallocation and misuse.

How donors can address the challenge of fostering effective policymaking

Civic engagement contributes to mobilising social forces for poverty reduction, for better governance, and for decentralised and participatory decision-making, and creates the required consensus for the achievement of development goals. A strong civil society sector is an essential stakeholder in efforts towards achieving sustainable development. Civil society engagement in both public policy formulation and the monitoring of policy implementation promotes transparency of decision-making and resource allocation, and increases the accountability of public institutions.

The Policy Centres Development Fund, a PASOS initiative launched in 2006 with the support of the Local Government and Public Service Reform Initiative of the Open Society Institute, is designed to improve the capacity and skills-base of policy centres in the region - and to foster greater public participation and a more professional, and accountable, policymaking process. To date, the Fund has supported cross-border project development meetings, and Training in Writing Policy Papers (in English and Russian) for participants from non-governmental policy centres from Armenia, Azerbaijan, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Macedonia, Poland, Romania and Uzbekistan. An important element of the training has been a training-of-trainers component.

PASOS invites donors active in Central and Eastern Europe and Central Asia to partner with independent policy centres in engaging with governments, for instance in the Caucasus and Central Asia, on the formation of professional policy units within government ministries and to ensure that more stakeholders are involved in a more professional policymaking process, increasing the 'ownership' of policymaking and strengthening the prospects of sustainable policy solutions emerging in transition countries.

In the framework of DECIM (donor exchange, co-ordination and information mechanism), it has been proposed that a donor fund might be launched to support civil society activity in policy dialogue, public advocacy and governance, in particular capacity-building in this area. This would be a very timely initiative, and one where the synergies between the donors' objectives and the PASOS network of policy centres are very strong.

PASOS is committed to working to ensure that the lessons of transition are analysed and understood, then shared and applied. To achieve the objective of fostering effective policymaking that improves policy outcomes

– and thereby the quality of life, and of economic and social development, in the region - PASOS invites the key donors engaged in Central and Eastern Europe and Central Asia to engage in a dialogue with PASOS and other stakeholders, sharing their concerns about donor effectiveness in the region, and working together to develop strategies to engage with policymakers in governments and in the non-governmental sector. By forging a partnership to evaluate and meet the needs of the region and to strengthen policymaking capacity to meet those needs, the activities supported through the Policy Centres Development Fund and through other donor initiatives can be better co-ordinated and monitored, the problems of mismatches between needs and donor actions can be reduced, and the effectiveness of donor support increased.

The scope for co-operation and knowledge exchange is immense, not least around the common objectives of creating an enabling environment for the civil society sector and of introducing policymaking processes that generate sustainable policy outcomes to the benefit of society as a whole in the transition countries of the new EU members, the Western Balkans, Turkey and the CIS.